

March 25, 2009



LETTER OF COMMENT NO. 49



LETTER OF COMMENT NO. 58

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P. O. Box 5116
Norwalk, CT 06856

File Reference: Proposed FSPs FAS 115-a, FAS 124-a & EITF 99-20-b and FSP FAS 157-e

Dear Mr. Golden:

We appreciate the opportunity to comment on the proposed FASB Staff Position No. FAS 115-a, FAS 124-a and EITF 99-20-b, *Recognition and Presentation of Other-Than-Temporary Impairments* (“proposed FSP #1”) and on the proposed FASB Staff Position No. FSP FAS 157-e, *Determining Whether a Market is Not Active and a Transaction is Not Distressed* (“proposed FSP #2”).

We strongly support the Financial Accounting Standards Board (“FASB”) proposal to provide greater clarity to investors about the credit and noncredit component of an OTTI event as well as how to effectively determine when an OTTI event has occurred.

We believe the proposal could be improved, however. As currently drafted, the amount of any impairment loss recognized in earnings for investment securities classified as either held-to-maturity or available-for-sale should be based on the difference between the carrying amount of the instrument and the credit loss amount. However, proposed FSP #1 would be effective for interim and annual reporting periods ending after March 15, 2009, and would be applied prospectively. Therefore, this guidance would not allow any noncredit losses to be included in OCI – rather than in retained earnings – prior to the first quarter of 2009.

FASB’s proposal to apply prospective treatment under the FSP does not provide for a uniform system of impairment testing standards for financial instruments because an entity would have applied one accounting treatment for OTTI on or before year-end 2008, and a different accounting treatment for OTTI beginning in 2009. This difference in accounting treatment greatly reduces financial statement comparability and transparency. Therefore, we believe that it would be more consistent for the proposed FSP to be made retroactive to year-end 2008 or, alternatively, include a one-time cumulative “catch-up” adjustment between OCI and retained earnings in the first quarter of 2009.

Thank you for considering our views and we welcome the opportunity to discuss this matter with the Board and its staff. Please do not hesitate to contact myself at (580) 388-4345 with any questions.

Sincerely,

Nancy Hohmann
Vice President